VZCZCXRO8962 PP RUEHDBU DE RUEHKV #4175/01 3071432 ZNY CCCCC ZZH P 031432Z NOV 06 FM AMEMBASSY KYIV TO RUEHC/SECSTATE WASHDC PRIORITY 0259 INFO RUCNCIS/CIS COLLECTIVE RUEHZG/NATO EU COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 02 KYIV 004175

STPDTS

SIPDIS

E.O. 12958: DECL: 11/01/2016

TAGS: PREL PGOV PARM UP SUBJECT: UKRAINE: TARASYUK ON COORDINATING FOREIGN POLICY

IN UKRAINE, OUR UKRAINE'S INDECISION

REF: A. KYIV 4155 ¶B. 05 KIEV 5100

Classified By: Ambassador, reason 1.4 (b,d)

- (C) Summary. A tired FM Borys Tarasyuk saw Ambassador late October 31 after returning from Estonia and Finland. diagrammed the current players in Ukrainian foreign policy formulation, stating that his role as the fulcrum was to prevent encroachment by PM Yanukovych's team onto Presidential prerogative. On domestic politics, Tarasyuk, who is also party leader of Rukh and board member on the Our Ukraine (OU) bloc political council, said that Yushchenko's party People's Union Our Ukraine (PUOU) was still wracked by internal crisis. On foreign policy, he reiterated Ukraine's commitment to a settlement in Transnistria but also his fears that Russia would use Kosovo independence as a precedent for frozen conflicts, regardless of the U.S. line that there should be no precedent. Looking forward to the planned visit by PM Yanukovych to the U.S. in early Qcember, Tarasyuk made a pitch for us to push Yanukovych to make positive actions prior to the visit, rather than allowing him a free pass.
- 12. (C) Comment: Tarasyuk's comments offer fascinating insights into current dynamics in policy making and politics, but they also demonstrate how much slippage there has been for Yushchenko's team in the past three months since Yanukovych became Premier. Four OU-affiliated ministers resigned in late October, with two being replaced November $\boldsymbol{1}$ While Yanukovych told the Rada November 1 that (ref A). Tarasyuk and Interior Minister would remain in place based on his understanding with Yushchenko, the Regions-led Rada majority passed a resolution November 2 to investigate Lutsenko and call for his temporary suspension, followed by a November 3 resolution obliging Tarasyuk and Defense Minister Hrytsenko to present a report on their performance November ¶14. Yanukovych warned Ambassador November 2 that if Yushchenko did not cooperate, he could see his other appointments replaced in the near future (septel). The steady ramp up in pressure and steady replacement of Yushchenko's ministers was predicted by most observers in early August when Yushchenko consented to appoint Yanukovych PM with a hybrid Cabinet but neglected to secure a new coalition agreement between Regions and Our Ukraine prior to the August vacation. At the time, most observers suggested Tarasyuk would be the first of the holdover orange ministers to go. For now, he remains. End Summary and Comment.

Diagramming Ukrainian Foreign Policy Makers

13. (C) In a throwback to pre-Orange Revolution practices, Tarasyuk drew a diagram to represent figures and pointed to the boxes avoid mentioning names (note: in a one-on-one meeting in his Ministerial office. End note). He placed Yushchenko as President in the upper left corner and Yanukovych as PM in the upper right; he was in the middle a level down, with lines drawn to both. Deputy Presidential Secretariat head Chaliy fell further on the left under

STPDTS

Yushchenko, with four circles for the advisers (Hryshchenko, Zlenko, Orel, and Fialko) under Yanukovych. Tarasyuk noted that the National Security and Defense Council (NSDC) should play a coordinating role for foreign policy, but it was not doing so yet (note: new NSDC Secretary Haiduk has indicated he will make energy security his main priority).

14. (C) Using the diagram, Tarasyuk stated that he formally answered to both Yushchenko and Yanukovych, but ultimately his role was to protect Presidential constitutional prerogative in foreign policy formation from encroachment from the PM's team. Chaly, who had served as Tarasyuk's First DFM for European Integration from 1997-2000 before embracing a "neutrality" strategy the past two years, was now "back on board" with Yushchenko,s vision of Euro/Euro-Atlantic Integration, according to Tarasyuk. Tarasyuk was pleased that ex-FM Hryshchenko had been designated as his primary PM office POC; Hryshchenko had worked for him on arms control (from 1997-98), and they maintained decent relations (note: Tarasyuk's relations with the other three PM advisers, most notably Orel, are much worse. Both PM Chief of Staff Lyovochkin and Hryshchenko himself have told Ambassador that Hryshchenko is the primary PM foreign policy adviser. End note).

Transnistria, Kosovo, WTO

15. (C) Hryshchenko,s floated proposal to raise the GOU,s profile on tackling Transnistria by having Yanukovych name DPM Kluyev or Zlenko (another ex-FM) as lead was a "bad idea," said Tarasyuk. Apart from Presidential prerogative,

KYIV 00004175 002 OF 002

"our clear intent is to reach a settlement," and there would be better chances with a Presidential lead than via the PM/Cabinet of Ministers. Tarasyuk repeated the standard Ukrainian "Moldova is hard to help" line, mentioning Moldova,s raising the freight rates after Tiraspol's self-blockade led to trains taking a more circuitous route. Tarasyuk endorsed the enhanced EU involvement along the border (EUBAM) as a net plus, noting he wished it could be expanded to Ukraine's northern/eastern border (i.e., with Russia).

- 16. (C) Hewing to the line he had maintained since December 2005 (ref B), Tarasyuk characterized the U.S. line that Kosovo independence would not be a precedent for frozen conflicts such as Transnistria as weak, "because the Russians will use it as a precedent regardless." Ukraine wanted to achieve a negotiated settlement on Transnistria, but Kosovo independence would undermine that effort.
- 17. (C) Tarasyuk agreed with Ambassador that the handling of the estimated 21 pieces of WTO-required legislation would serve as the first serious indicator of a European direction for the Regions-led government and parliamentary majority (note: Septel reports that on November 2 and 3, the Rada overwhelmingly passed two of these drafts in the second reading, and a further eight in the first reading.). While he felt that there should be no Ukrainian synchronization with Russian entry, he did not dismiss worries that it might happen, claiming PM Yanukovych's comment that Ukraine's accession could be considered by the WTO in February indicated a willingness to let the previous end of year deadline slip. (Note: many, including Presidential Secretariat Deputy Chief Yatsenyuk and former Finance

SIPDIS

Minister Pynzenyk, have speculated the GOU is deliberately slow rolling WTO action at Russia's request in exchange for securing lower natural gas prices for the upcoming winter

OU still in crisis, Yushchenko still dithering

- 18. (C) While noting that his travels meant that he was not up to date on the latest developments, Tarasyuk confirmed that Yushchenko's PUOU party remained in internal crisis, claiming the old split between "Petro (Poroshenko) and Roman (Bezsmertny)" continued to play out. A second lingering issue remained whether Yushchenko would take an active leadership role of the party. Tarasyuk suggested that Yushchenko and Yanukovych were to meet early Nov. 1 to discuss whether a coalition was still possible or not. Tarasyuk,s Rukh party (one of six in the OU bloc) was adamantly against going into coalition with the Socialists and Communists, but wanted Tarasyuk to stay as FM.
- 19. (U) Visit Embassy Kyiv's classified website: www.state.sgov.gov/p/eur/kiev. Taylor